

# Ely Gold Announces Royalty Sale and Private Placement to Eric Sprott

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Vancouver, June 10, 2019 - Ely [Gold Royalties Corp.](#) Inc. (TSXV: ELY) (OTCQB: ELYGF) ("Ely Gold") or the ("Company") is pleased to announce that it has reached a mutual agreement (the "Agreement") with Eric Sprott ("Sprott") whereby Sprott will acquire 100% of all rights and interests in a 1.0% (one percent) net smelter returns royalty on the Fenelon Mine Property (the "Fenelon Royalty"), operated by [Wallbridge Mining Company Ltd.](#), located in west-central, Quebec. Under the terms of the Agreement, Sprott will pay to Ely Gold a cash consideration of US\$1,250,000 (approximately CAN\$1,673,360) for the Fenelon Royalty.

Subsequent to the Agreement, Ely Gold will retain a 2.0% royalty on the Fenelon Mine Property.

The Fenelon Royalty was created pursuant to a purchase agreement, dated July 25, 2016, between Wallbridge and Balmoral Resources Ltd. Ely Gold purchased the Fenelon Royalty from Balmoral in October 2018 (see press release dated October 10, 2018).

In a separate transaction, Sprott will subscribe to an Ely Gold private placement (the "Placement") consisting of 5,615,454 Ely Gold units (each a "Unit") at a price of CAN\$0.18 per Unit for gross proceeds of CAN\$1,010,782. Each Unit will comprise one common share and one-half of a non-transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share for a period of three (3) years at an exercise price of \$0.30. The Company will pay a 6.0% Placement arrangement fee on the Placement to an arm's length registered dealer.

All securities issued and issuable in the Placement will be subject to a four (4) month hold period from the closing date. The Placement, including the payment of the arrangement fee, is subject to Exchange acceptance. The net proceeds from the Placement will be used for the Company's project generative activities and for general corporate expenses.

Trey Wasser, Ely Gold's President & CEO commented: "We are very excited to welcome Eric Sprott to the Ely Gold shareholder list. The sale of 1.0% of our 3.0% Fenelon Royalty is a non-dilutive way to raise cash and will allow us to continue to diversify our portfolio with additional royalty purchases. We will also be generating a substantial capital gain to our treasury on the sale of the Fenelon Royalty. The "at the market" placement by Sprott will result in only a 5.7% dilution to shareholders (8.3% if warrants are exercised) and will add an important high-profile institutional shareholder to the Company."

About Ely Gold Royalties Inc. [Ely Gold Royalties Inc.](#) is a Vancouver-based, emerging royalty company with development assets focused in Nevada and Quebec. Its current portfolio includes 33 Deeded Royalties and 20 properties optioned to third parties. Ely Gold's royalty portfolio includes producing royalties, fully permitted mines and development projects that are at or near producing mines. The Company is actively seeking opportunities to purchase existing third-party royalties for its portfolio and all the Company's option properties are expected to produce royalties, if exercised. The royalty and option portfolios are currently generating significant revenue. Ely Gold is well positioned with its current portfolio of over 20 available properties to generate additional operating revenue through option and sale agreements. The Company has a proven track record of maximizing the value of its properties through claim consolidation and advancement using its extensive, proprietary data base. All portfolio properties are sold or optioned on a 100% basis, while the Company retains royalty interests. Management believes that due to the Company's ability to generate third-party royalty agreements, its successful strategy of organically creating royalties, its equity portfolio and its current low valuation, Ely Gold offers shareholders a low-risk leverage to the current price of gold and low-cost access to long-term mineral royalties.

On Behalf of the Board of Directors  
Signed "Trey Wasser"  
Trey Wasser, President & CEO

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Caution: This press release contains certain "forward-looking statements" within the meaning of Canadian securities legislation, including statements regarding the timing and size of the proposed Placement, the anticipated use of proceeds, the required Exchange acceptance of the presently proposed transactions, the future exercise of options on the Company's properties, the ability of the Company to generate and acquire new royalty interests, the Company's prospects for future revenue generation, management's assessment of the risks associated with the Company's business and stated plans for further near-term exploration and development of the Company's properties. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are statements that are not historical facts; they are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "aims," "potential," "goal," "objective," "prospective," and similar expressions, or that events or conditions "will," "would," "may," "can," "could" or "should" occur, or are those statements, which, by their nature, refer to future events. The Company cautions that Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made and they involve a number of risks and uncertainties. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Except to the extent required by applicable securities laws and the policies of the Exchange, the Company undertakes no obligation to update these forward-looking statements if management's beliefs, estimates or opinions, or other factors, should change. Factors that could cause future results to differ materially from those anticipated in these forward-looking statements include the risk of accidents and other risks associated with mineral exploration, development and extraction operations, the risk that its partners will encounter unanticipated geological factors, or the possibility that they may not be able to secure permitting and other governmental clearances, necessary to carry out their stated plans for the Company's properties, the Company's inability to secure the required Exchange acceptance required for the Placement, and the risk of political uncertainties and regulatory or legal disputes or changes in the jurisdictions where the Company carries on its business that might interfere with the Company's business and prospects. The reader is urged to refer to the Company's reports, publicly available through the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com) for a more complete discussion of such risk factors and their potential effect.

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